

26-28 COURT STREET/2-6 BROAD STREET PRELIMINARY INVESTIGATION

Freehold Borough, NJ

March 2, 2020

Block: 36

Lot: 5 (5.01), 6 (6.01), 7, & 9 (9.01)*

*Lots 5 (5.01), 6 (6.01), and 9 (9.01) are labeled differently in County- and MOD-IV (State)-level data. The two separate numbers listed reference the same individual lots. Lots 5, 6, and 9 are labeled as such in the State's MOD-IV data, and these same lots are labeled 5.01, 6.01, and 9.01 respectively in County-level data.

report prepared by,



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2.0 INTRODUCTION

2.1 Introduction

Freehold Borough, through Resolution No. 31-20 (Appendix A), adopted January 21, 2020, authorized Pennoni to perform a Preliminary Investigation of Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01) to ascertain whether the specified area qualifies under N.J.S.A. 40A:12A-5 as a non-condemnation "Area in Need of Redevelopment."

Each of the lots in the proposed redevelopment area contain structures. The properties all are large, former single-family homes that have been converted into professional office or apartment uses. All of the lots are owned by KFM Partnership, LLC. These buildings were in poor condition when KFM Partnership bought them. Each has been subdivided into an assortment of apartments and office spaces that are ill-suited to the needs of tenants. In addition, the buildings all have significant structural issues with the foundations, porches/fire escapes, and roofs. Behind the properties is a small field that is used for parking and a vacant out building.

Figure 1 on page 3 identifies the location and surrounding environs of the Investigation Parcels.

Figure 2 on page 3 identifies the addresses and owners of the Investigation Parcels.

On October 16, 2019, Julie Connochie, AICP and Zhenya Nalywako of Pennoni conducted a walk-through of all of the buildings and surrounding areas, documenting interior and exterior conditions with photos and notes. In addition, they interviewed the adjacent property owners. Several also provided written testimony to support the statements they made during the interviews.

2.2 Summary of Findings

This investigation finds that the study area meets the statutory criteria for designation as an Area in Need of Redevelopment.

- Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01) qualify under Criterion "A" because each of the buildings on the lots have units that have fallen into such a state of disrepair as to be unsafe to current and future occupants, and because many of these units are so poorly maintained, unsanitary, and lacking in light, air, and space as to be conducive to unwholesome living conditions.
- Block 36, Lots 6 (6.01) and 9 (9.01) qualify under Criterion "B" because the structures on both lots have vacant commercial space that has become increasingly difficult to rent over the years, despite the properties' location in Freehold's Center Core, where the borough has sought to attract commercial tenants.

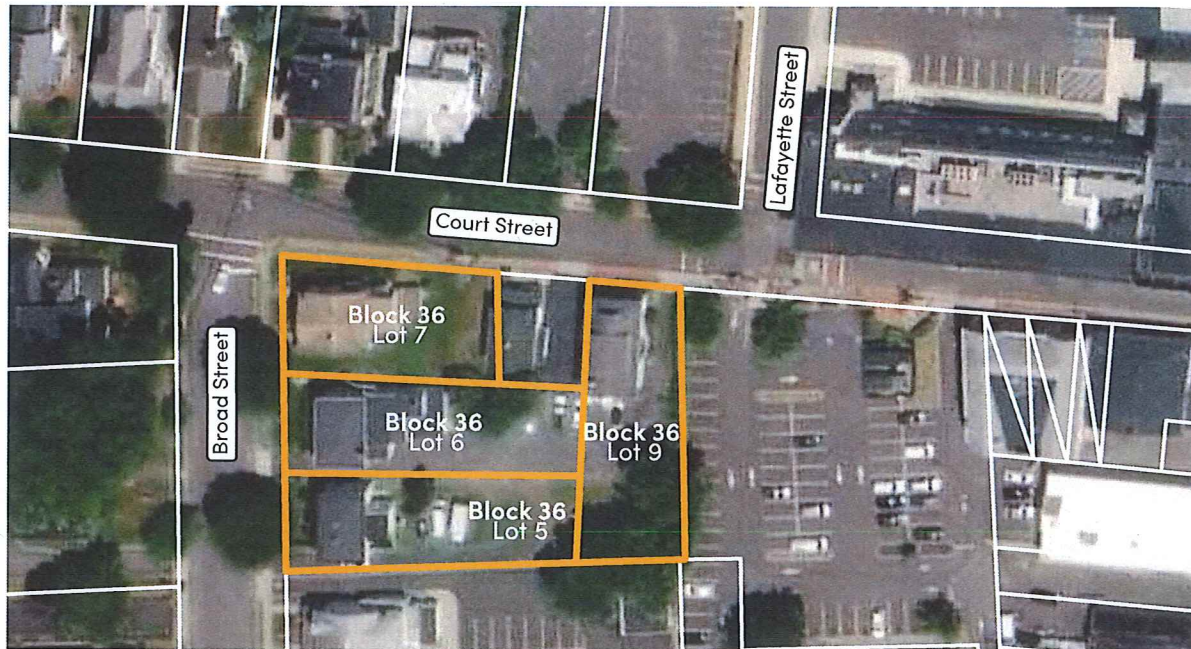
- Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01) qualify under Criterion “D” because the buildings on each of these lots have been added onto, divided, and rearranged in a manner that has resulted in both faulty units and lot layouts. These issues have created units that are both undesirable, difficult, and in some cases unsafe to live in. In addition, the configuration of the lots has created a space out of street view that has encouraged and sheltered illegal and illicit activity.
- Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01) qualify under Criterion “E” because: all exhibit some level of vacancy; the lack of proper utilization has resulted in a stagnant and unproductive condition of potentially valuable land near the heart of Freehold’s Center Core business district and commercial area; and this vacancy and stagnancy is having a negative social and economic impact both upon the Borough’s Center Core, and upon the safety, health, morals, and welfare of Freehold overall.
- Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01) qualify under Criterion “H” due to their proximity to Freehold’s Center Core and bus station, which recent planning efforts - such as the 2018 “Downtown Freehold Vision Plan” and 2018 “Courthouse Square Redevelopment Plan” - have targeted as the hub of a new transit-oriented downtown for the Borough.

2.3 Non-Condemnation

Pursuant to the 2013 amendments to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., the Legislature requires that Preliminary Investigations state whether the redevelopment area determination shall authorize the municipality to use all those powers provided by the Legislature for use in a redevelopment area, including or excluding the power of eminent domain.

Resolution No. 31-20 has authorized a preliminary investigation to determine whether the study area qualifies as a “Non-condemnation Redevelopment Area,” such that the municipality may use all those powers provided by the Legislature for use in a redevelopment area, other than the use of eminent domain.

Figure 1. Location of Redevelopment Site



Source: NJ Division of Taxation - MOD-IV

Figure 2. Ownership Information

Block	Lot	Owner Name	Address	City & State
36	5 (5.01)	K.F.M. Partnership, LLC	6 Broad Street	Freehold Borough, NJ
36	6 (6.01)	K.F.M. Partnership, LLC	4 Broad Street	Freehold Borough, NJ
36	7	K.F.M. Partnership, LLC	2 Broad Street	Freehold Borough, NJ
36	9 (9.01)	K.F.M. Partnership, LLC	26 Court Street	Freehold Borough, NJ

Source: NJ Division of Taxation - MOD-IV

3.0 REDEVELOPMENT PLANNING IN NEW JERSEY

3.1 Purpose of the Act

New Jersey's Local Redevelopment and Housing Law (LRHL), empowers municipalities and local governments with the ability to initiate a process that transforms qualified underutilized or poorly designed properties into healthier, more vibrant, and/or economically productive land areas. This process has been used successfully across New Jersey to creatively improve properties meeting statutory redevelopment criteria. In addition to providing greater flexibility in the development process, projects approved for redevelopment are often also eligible for certain types of technical and financial assistance from the State.

3.2 Redevelopment Procedure

The LRHL requires municipalities to perform a number of steps before it may exercise its Redevelopment powers. This process is meant, in part, to ensure that the Governing Body acts in concert with the goals and objectives of the Borough's Master Plan. Recognizing the Planning Board's role as the steward of the Master Plan, these steps require the Planning Board to make certain findings and recommendations to the governing body of the municipality. The required steps are as follows:

1. The Governing Body must adopt a resolution directing the Planning Board to perform a preliminary investigation to determine whether a specified area, in whole or part, meets the requirements for designation as an area in need of redevelopment according to criteria set forth in the LRHL (N.J.S.A. 40A:12A-5). Here, the Borough authorized such an investigation pursuant to the adoption of Resolution Nos. 190-2017 and 102-2018
2. The Planning Board must prepare and make available to the public a map showing the boundaries of the proposed redevelopment area, and the location of the various parcels of property included therein. The map shall be accompanied by a statement setting forth the basis of the investigation.
3. The Planning Board must then conduct the investigation and produce a report presenting the findings. The Board must also hold a duly noticed hearing to present the results of the investigation and to hear persons who are interested in or would be affected by a determination that the delineated area is a redevelopment area. After completing its hearing on the matter, the Planning Board shall recommend that the delineated area, or any part thereof, be determined, or not be determined, by the municipal governing body to be a redevelopment area. The Board may adopt a resolution setting forth its findings and recommendations to the Governing Body.

4. The Governing Body may act on this recommendation by adopting a resolution designating the area, or any part thereof, an "Area in Need of Redevelopment." The Governing Body must make the final determination as to the Redevelopment Area boundaries. The designation shall be subject to the review/approval of the Commissioner of the Department of Community Affairs.
5. A Redevelopment Plan must be prepared establishing the goals, objectives, and specific actions to be taken with regard to the "Area in Need of Redevelopment."
6. The Governing Body may then enact the Plan by passing an ordinance adopting the Plan as an amendment to the Borough's Zoning Ordinance.

Only after completion of this process is the Borough able to exercise the powers granted to it under the Redevelopment Law.

3.3. Statutory Criteria

A study area qualifies as being an "Area in Need of Redevelopment" if it meets at least one of the eight statutory criteria listed in Section 40A:12A-5 of the Redevelopment Law:

- A. The generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, or poses any of such characteristics, or are so lacking in light, air, or space, as to be conducive to unwholesome living or working conditions.
- B. The discontinuance of the use of buildings previously used for commercial, manufacturing, or industrial purposes; the abandonment of such buildings; or the same being allowed to fall into so great a state of disrepair as to be untenable.
- C. Land that is owned by the municipality, the county, a local housing authority, redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten years prior to adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or topography, or nature of the soil, is not likely to be developed through the instrumentality of private capital.
- D. Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.
- E. A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real properties therein or other similar conditions which impede land assemblage or discourage the undertaking of improvements, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare, which condition is presumed to be having a negative social or economic impact or otherwise being detrimental to the safety, health, morals, or welfare of the surrounding area or the community in general.

- F. Areas, in excess of five contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by the action of storm, fire, cyclone, tornado, earthquake or other casualty in such a way that the aggregate assessed value of the area has been materially depreciated.
- G. In any municipality in which an enterprise zone has been designated pursuant to the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the actions prescribed in that act for the adoption by the municipality and approval by the New Jersey Urban Enterprise Zone Authority of the zone development plan for the area of the enterprise zone shall be considered sufficient for the determination that the area is in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax exemptions within the enterprise zone district pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L.1991, c.441 (C.40A:21-1 et seq.). The municipality shall not utilize any other redevelopment powers within the urban enterprise zone unless the municipal governing body and planning board have also taken the actions and fulfilled the requirements prescribed in P.L.1992, c.79 (C.40A:12A-1 et al.) for determining that the area is in need of redevelopment or an area in need of rehabilitation and the municipal governing body has adopted a redevelopment plan ordinance including the area of the enterprise zone.
- H. The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.

N.J.S.A. 40A:12A-3 further states that "A redevelopment area may include lands, buildings, or improvements which of themselves are not detrimental to the public health, safety or welfare, but the inclusion of which is found necessary, with or without change in their condition, for the effective development of the area of which they are a part." This is commonly referred to as the "Section 3 Criteria."

According to the Redevelopment Handbook, this section allows for the inclusion of properties that do not meet the statutory criteria but are, "essential to be included in the designation to effectively redevelop the area." Examples of such properties include properties located within and surrounded by otherwise blighted area, property that are needed to provide access to an area to be redeveloped, areas needed for infrastructure or utilities, or properties that otherwise could be determined to be critical to the area's successful redevelopment.

4.0 STATUTORY CRITERION "A"

4.1 Statutory Language

The generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, or pose any of such characteristics, or are so lacking in light, air, or space, as to be conducive to unwholesome living or working conditions.

4.2 Applicability

The following analysis of Statutory Criterion "A" is applicable to: **Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01).**

4.3 Findings – Substandard, Unsafe, & Unsanitary Buildings

Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01) meet Statutory Criterion "A" because of the presence of substandard, unsafe, and unsanitary buildings. The building conditions documented are clearly dilapidated and substandard, and pose varying levels of risk to the safety of current and future tenants.

4.3.a. Block 36, Lots 5 (5.01), 6 (6.01), 7, & 9 (9.01)

All of these properties exhibit significant structural and sanitary issues making them unsafe places to live and work. Without significant—and costly—repair work and renovations, conditions will continue to deteriorate and further jeopardize both current and future tenants.

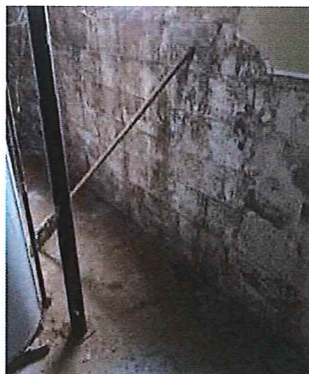
Every primary structure has cracks in the foundation. The full extent of these cracks is unknown, but they are visible to the naked eye both in the basements and on the exterior of all four buildings. These foundational issues have led to significant flooding in all of the basements, resulting in water damage and mold build-up to varying degrees. As time goes on, these issues will only continue to worsen, making substantial renovation of the structures even less financially feasible in the future.

There are also considerable issues with the entrances/exits to the various residential units within each of the buildings in the Redevelopment Area. As discussed in **Section 6.3.a. Block 36, Lots 5 (5.01), 6**

Figure 3. Cracked Foundations & Basement Flooding



Cracked foundation at 4 Broad Street



Basement Flooding & Mold Build-Up at 26 Court Street

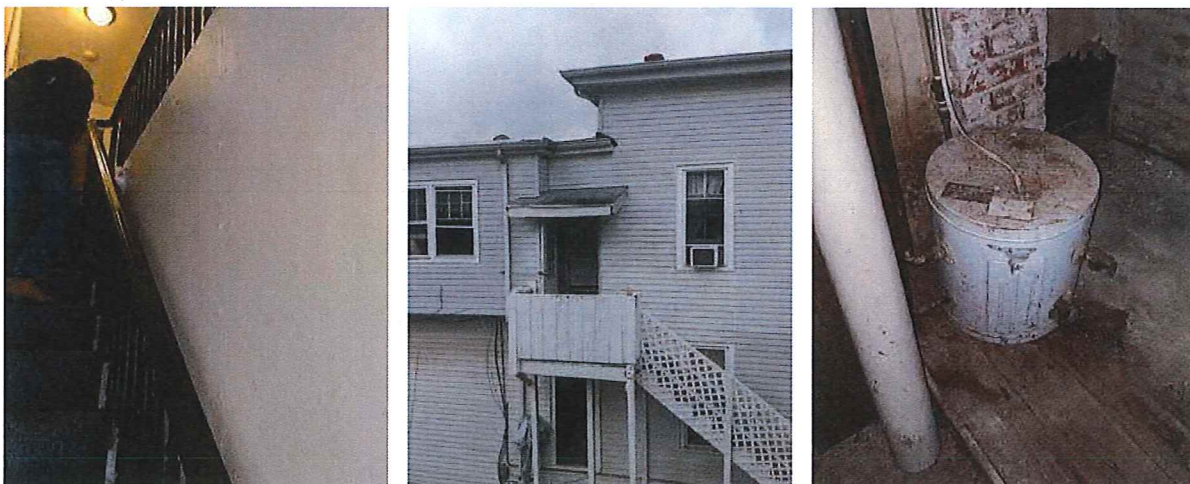


(6.01), 7, & 9 (9.01) on page 16, the buildings within the Redevelopment Area have been haphazardly subdivided into separate apartments and office spaces. This has resulted in poor and unsafe means of ingress and egress into almost all of the residential units, which is especially concerning and a major safety issue in the case of fire. In the 2, 4, and 6 Broad Street buildings this is a particular issue, as renovations splitting the first floor from the upper floors created dark, narrow entryways with steep staircases. The stairs are difficult to navigate under normal circumstances, and in the event of a fire could present a significant safety hazard as they are the only structurally sound exit from the upper units. Additionally, very few of these entryways have any lighting.

Also, as discussed in greater detail in **Section 6.3.a. Block 36, Lots 5 (5.01), 6 (6.01), 7, & 9 (9.01)**, the water heaters in each of the buildings are too old and not large enough to adequately heat water for the building's tenants. This is a particularly concerning problem, as none of the buildings are fully occupied. A reliable supply of hot water is a basic safety and sanitary need for any dwelling unit. The heaters would have to be replaced in all four buildings to provide sufficient service to all tenants at full occupancy. Replacing them would likely incur a major cost to the property owner.

Additionally, many of the units throughout the buildings—both occupied and unoccupied—have electrical connections that were clearly not set up by professionals. The specific causes for and issues with these buildings' electrical connections is discussed in further detail in **Section 6.3.a. Block 36, Lots 5 (5.01), 6 (6.01), 7, & 9 (9.01)**, but it is worth noting here that they pose an imminent threat to the safety of both current inhabitants and anyone who visits these buildings. Many of these connections result in electrical wires strewn about the walls and floors of the units, meaning there is a heightened potential for people to trip over these wires, as well as the more serious issue of electrical fires caused by frayed or exposed wires. Many of these buildings also have electrical wires hanging off of and wrapping around their exteriors. This poses the threat of disruptions to electricity in the event of high wind or storm conditions, which could result in heat or other vital services being cut off during inclement weather. Issues with the provision of electricity are a major safety issue that must be addressed.

Figure 4. Ingress/egress & Utility Provision Issues

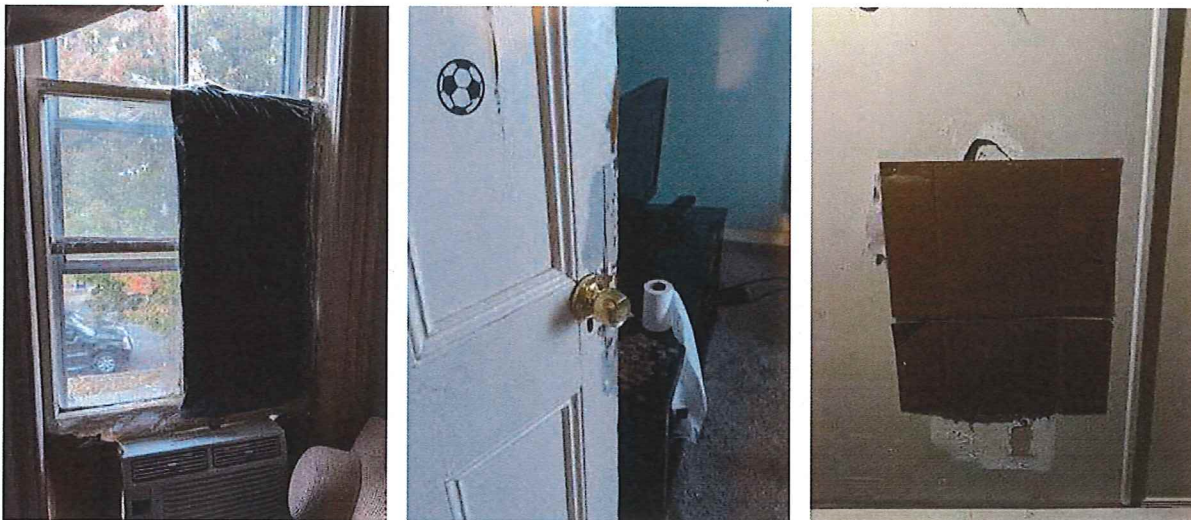


Unsafe entry/exit at 4 Broad (left); haphazard wiring on exterior of 4 Broad (center); water heater at 6 Broad (right).

Most units have at least one broken window and/or door. Broken front doors increase tenants' risk of being burglarized, and broken doors to different rooms or to closets within the units pose the risk of falling, which is especially concerning in units that house children. Broken windows, on the other hand, pose the immediate risk of further shattering and/or cutting tenants' bodies, and make it difficult to regulate the temperature of the units. This is a particular health hazard in units occupied by lower-income groups with elderly or juvenile members in the household, as these groups are the most at-risk during extreme hot or cold weather conditions.

Finally, there are also holes and cracks in the walls of every unit in each of the buildings. While this may seem like more of an aesthetic issue than anything else, holes in the walls could lead to vermin entering the dwelling units from the building's walls or outside, and cracks in the walls and trim indicates that—likely due to pervasive crumbling foundations and water damage—the buildings are shifting and settling, which is compromising the structural stability of the building's walls, ceilings, and floors. In fact, as discussed in **Section 4.3.b. Block 36, Lot 7 - 2 Broad Street** below, this has already lead to a ceiling collapse in one of the occupied units in 2 Broad Street.

Figure 5. Broken Windows, Doors, & Walls



Broken window at 4 Broad (left); broken door at 2 Broad (center); and hole in wall covered by cardboard at 4 Broad (right).

4.3.b. Block 36, Lot 7 - 2 Broad Street

In addition to the issues discussed above, Block 36, Lot 7 also displays several other safety and sanitary issues. Specifically, the porch on the building on this lot is in especially bad shape. Most of the wood is rotted and this has resulted in pieces of the porch chipping away, especially near the stairs from the front yard. Left unchecked, the entire porch could become structurally unsound and collapse, which would be a major threat to the safety of both current tenants and any visitors. In its current state, the boards bend under the weight of a person walking on them, the stairs present a trip hazard, and the entire porch is sloping away from the building. According to the property owner, these conditions have been getting steadily worse over time. Each of these issues is a risk for anyone walking on them, and a particular concern for handicapped individuals.

While the floors in all of the buildings were unstable to varying degrees, the floors in 2 Broad Street were especially concerning. Not only were they often left unfinished, which creates the threat of tripping on uneven floors, the floors in 2 Broad Street were noticeably uneven, and more troubling, bowed and bent as one walked upon them. This indicates that the floors are lying upon support beams that are giving way, and that the floors themselves are bowing, likely due to water damage, age, and a lack of maintenance over the years. In fact, according to the property owner and one of the tenants of the occupied unit in 2 Broad Street (who was there during the site visit), the ceiling in the living room collapsed roughly a year ago. This ceiling collapse was likely due to the same issues causing the floors throughout the rest of the building to bend, bow, and slope: water damage, age, and lack of maintenance.

2 Broad Street also has one of the worst roofs of any of the buildings, with pieces of roof trim falling off and in need of repair/replacement, and shingles that routinely fall off during wind events and storms. Not only do these issues pose a threat to 2 Broad Street's tenants in the form of roof leaks and further water infiltration into the building, they also pose a threat to the broader community. Falling shingles or pieces of wood from the building's roof trim could strike and injure pedestrians, motorists, or others in the area during a storm or wind event.

Finally, while there was water damage in all of the buildings in the Redevelopment Area, it was most prevalent in 2 Broad Street. Beyond mold build-up in the basement as illustrated in **Figure 3 on page 7**, there was evidence of water damage all throughout the building, which increases the likelihood that there is mold throughout the structure that is yet to be discovered.

Figure 6. Safety & Sanitary Issues at Block 35, Lot 7 – 2 Broad Street



Rotting wood on front porch (top right); unfinished floors (top center); dilapidated roof (top left); repaired collapsed ceiling (bottom left); water build-up (bottom right).

4.3.c. Block 36, Lot 9 (9.01) – 26 Court Street

26 Court Street also exhibited additional unique issues that make it a particularly unsafe dwelling in which to live or work. For example, the steps up the building's front porch are too steep. Beyond not being ADA-compliant, these steps are difficult for even the able-bodied to climb and pose a serious injury risk to tenants and visitors. According to the property owner, a previous tenant fell down the steps, broke her hip, and needed to be hospitalized.

Similar to the porch at 2 Broad Street, the second floor balcony at 26 Court Street is significantly sloped, which indicates that the balcony's support beams are giving way, posing the threat of collapse and endangering both current tenants and pedestrians and motorists on the street and sidewalk below.

The biggest issue at 26 Court Street is the exterior staircase, which serves as the fire escape for the units on the back of the building adjacent to the parking area. This staircase has clearly not been renovated in a long time, and several of the steps are broken or missing altogether. Not only does this staircase pose a major risk of tripping, it also poses the danger to those who climb it of falling from height, which could result in serious injury or even death.

Almost equally concerning is the fact that there are two metal supports in the basement that were clearly placed long after the building itself was constructed, and which seem to be holding up the basement's ceiling and preventing it from collapsing. This is evidenced by the fact that the concrete floor underneath these supports has cracked and sunk almost an entire inch.

Figure 7. Safety & Sanitary Issues at Block 35, Lot 9 (9.01) – 26 Court Street



Steep steps to front porch (top right); sloping balcony giving way (top center & left); dangerous exterior staircase (bottom left); support beam in basement pushing into and cracking concrete (bottom right).

4.4 Conclusion

While Block 3, Lots 7 and 9 (9.01) display substantially worse safety and sanitary conditions than the buildings on Block 36, Lots 5 (5.01) and 6 (6.01), all of the buildings exhibit serious issues that threaten the health and safety of both the tenants in these buildings and the broader community. Cracked foundations and associated issues with flooding, water damage, and mold build-up in all of the basements of the buildings in the Redevelopment Area; unsafe and non-direct means of ingress and egress to many of the units within these buildings; broken windows and doors, and holes and cracks in the walls; and issues with the provision of utilities squarely place these structures within the definition of presenting “unwholesome living [and/]or working conditions.” These issues must be addressed to ensure the safety, health, morals, and welfare of both the current and future tenants of these buildings and of Freehold’ Borough’s broader community.

5.0 STATUTORY CRITERION “B”

5.1 Statutory Language

The discontinuance of the use of buildings previously used for commercial, manufacturing, or industrial purposes; the abandonment of such buildings; or the same being allowed to fall into so great a state of disrepair as to be untenable.

5.2 Applicability

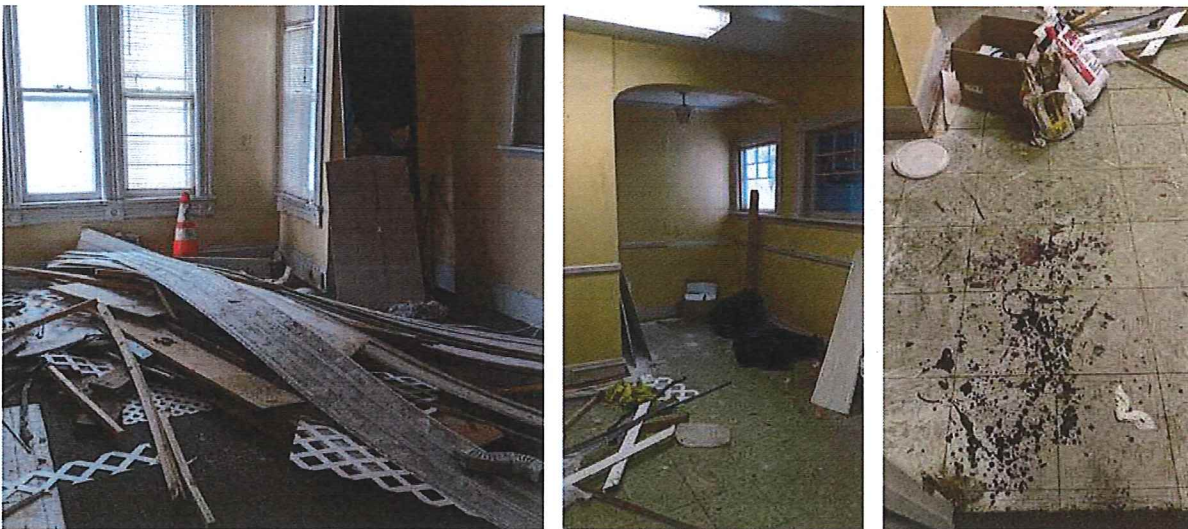
The following analysis of Statutory Criterion “B” is applicable to: **Block 36, Lots 6 (6.01) and 9 (9.01).**

5.3 Findings - Vacant Commercial Space

5.3.a. Block 36, Lot 6 (6.01) - 4 Broad Street

The vacant commercial space at 4 Broad Street—which takes up the entirety of the first floor—formerly housed a chiropractor and a masseuse despite a floor plan oriented to residential use. In recent years, both of these commercial spaces have become vacant, and according to the property owner are “unrentable,” even at greatly reduced prices. In the case of 4 Broad Street, the space’s residential floor plan and entrance greatly hinder its marketability. The building only has one front door, which opens up to two doors: one goes to one of the residential units upstairs, and the other goes to the first floor vacant commercial space. This is not typical of commercial spaces, and is not attractive to potential customers. It also disguises the commercial space and there is no indication from the outside that a commercial use exists inside the building. The first floor commercial space also has a residential floor plan, which includes a full kitchen (appliances have been removed). This configuration has likely remained due to structural limitations of tearing down walls to reconfigure the rooms to make usable commercial space. In its current state, it is not usable as a commercial space.

Figure 8. Vacant Commercial Space at Block 35, Lot 6 (6.01) - 4 Broad Street



Trash, debris, & construction materials strewn about first floor unit (left & center); paints stains on linoleum floors (right).

Additionally, the unit has fallen into such a great state of disrepair that renovating it and bringing it up to code for proper use as a commercial space would be cost prohibitive. The issues in the commercial space at 4 Broad Street include:

- Trash, debris, and construction materials strewn about the entirety of the first floor unit
- Paint, grease, and unidentifiable stains on the linoleum floors and carpeting, as well as unfinished floors

5.3.b. Block 36, Lot 9 (9.01) - 26 Court Street

The two vacant commercial spaces at 26 Court Street formerly housed law offices on the first floor and in the basement of the building.

The major difficulty with marketing and renting out this commercial space—besides the cost of removing all of the furniture, books, filing cabinets, and other pieces of equipment left behind from the previous tenants—is the high cost of utilities. According to the property owner, he had attracted a tenant to use the first floor commercial space at 26 Court Street as storage space for his business, but was turned down due to the monthly cost of utilities. The property owner said that he leaves on just one lamp on the first floor, and the electricity bill is \$100 per month. This indicates either old/faulty wiring or possibly electricity being stolen by neighbors or other tenants in the building.

Figure 9. Broken Windows, Doors, & Walls



Leftover furniture and office supplies (left); water damage on ceiling and current state of former basement commercial space (center & right).

Additionally, the basement commercial space has fallen into a serious state of dilapidation as the building has deteriorated over the last several years. Beyond the water damage and sinking support beams discussed in **Section 4.3.a. Block 36, Lots 5 (5.01), 6 (6.01), 7, & 9 (9.01) on page 7** and **Section 4.3.c. Block 36, Lot 9 (9.01) - 26 Court Street on page 11**, this entire space is essentially unusable due to the cracked foundations and flooding in this building's basement, which would be majorly expensive to repair.

5.4 Conclusion

The vacant commercial spaces in Block 36, Lots 6 (6.01) and 9 (9.01) represent former commercial space that has been abandoned, and that has since fallen into such a great state of disrepair as to be untenable. This is especially concerning given the properties' proximity to Freehold's bustling commercial corridor along Main Street, as well as their location within Freehold's Center Core, which is intended to be "an integrated, healthy, vibrant, livable district" that "increase[s] the tax base for the Borough of Freehold" and "eliminate[s] underutilization and...blighting influences." To the contrary, the vacancies posed by these two units actively decrease Freehold's tax base and act as blighting influences upon both the immediate area and Freehold's Center Core overall.

6.0 STATUTORY CRITERION "D"

6.1 Statutory Language

Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.

6.2 Applicability

The following analysis of Statutory Criterion "D" is applicable to: **Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01).**

6.3 Findings - Dilapidated, Obsolete, Overcrowded Buildings & Faulty Arrangement/Obsolete Layout

Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01) meet Statutory Criterion "D" because of the presence of dilapidated, obsolete, overcrowded buildings with faulty design, and because of lots with obsolete layouts. The buildings documented are clearly dilapidated, obsolete, overcrowded, have faulty configurations from incompatible use conversions or clunky renovations, and sit on lots with obsolete layouts. The current conditions of these buildings and lots make them difficult to rent, undesirable to live in, and detrimental to the safety, health, morals, and welfare of the community.

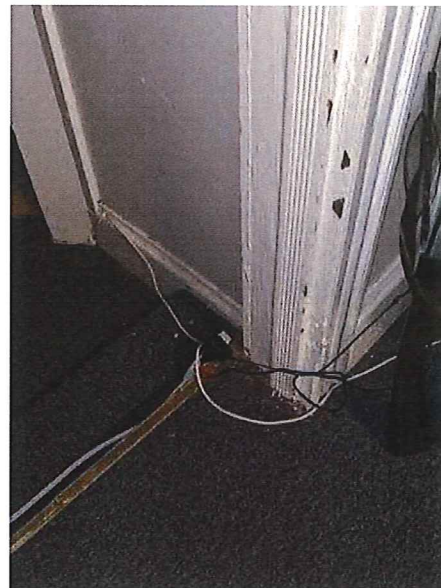
6.3.a. Block 36, Lots 5 (5.01), 6 (6.01), 7, & 9 (9.01)

All of the buildings face similar issues having to do with being poorly maintained, haphazardly renovated, and improperly subdivided. In many cases, these issues have created dwelling units that are small, awkward, and often unsafe. These issues also mean that none of the units or buildings are ADA-accessible, which greatly hinders the property owner's ability to rent them out and contributes to their currently economically stagnant condition.

As discussed in the Criterion A section, all of the buildings all have water heaters that are far too old and small to adequately heat water for their occupied units (see **Figure 4** on page 8). Additionally, the poor maintenance and subdivision of the buildings has resulted in leaking pipes and water fixtures, which has caused major water damage to many of the units and which has resulted in bowing ceilings and floors, cracks in the walls, mold build-ups, and a ceiling collapse.

All of the buildings also have poorly-configured electrical connections, which has resulted in excessive and disorganized

Figure 10. Faulty Wiring



Faulty wiring at 4 Broad Street.

wiring throughout many of the units and on the exteriors of all of the buildings (see **Figure 4 on page 8** and **Figure 10 on page 16**). This indicates that the electrical connections were set up hastily as units were added onto and into the buildings, and that these units' electrical connections are not up to code. Electrical wiring is not supposed to wrap around the outside of buildings as it does on all of the buildings, but is supposed to be contained within their walls. Due to this, many of the units are at a greater risk of losing electricity during a storm or wind event. Further, the electrical wiring is strewn about and criss-crosses the floors of many of the units within these buildings, which poses both a tripping hazard and a greater risk of electrical fires.

6.3.b. Block 36, Lots 5 (5.01) & 6 (6.01) - Unregulated Parking Area

Currently, there is an unpaved, unregulated parking area spanning Block 36, Lots 5 (5.01) and 6 (6.01) behind the properties on those lots and the paved parking lots on Block 36, Lots 3 and 10. Within this unregulated parking area, on Block 36, Lot 5 (5.01), is a vacant, dilapidated outbuilding that is no longer used by the property owner or any of the tenants. This unregulated parking area and outbuilding pose a threat to the tenants of the buildings in the Redevelopment Area, as well as to Freehold Borough overall. First, this unregulated parking area is unpaved and does not have painted parking stalls, making parking, driving, and walking within this lot unsafe. Secondly, and more pertinently, the configuration of this parking area makes it a haven for illicit activities, including:

- The dumping and abandonment of vehicles, which has been a recurring issue according to both the property owner and several neighbors interviewed on October 16th, 2019 as part of this preliminary investigation.
- Drug dealing and usage, which has also been a recurring issue. According to the neighbors we interviewed as part of this preliminary investigation—both of whom are local business owners—Freehold Borough police have staked out the area on numerous occasions to stop these activities. The presence of both drug dealing/drug use and the police stakeouts have impacted these business owners and their clients.

Figure 11. Unregulated Parking Area & Outbuilding



Unregulated parking area on Block 35, Lots 5 (5.01) & 6 (6.01) (left); outbuilding on Block 35, Lot 5 (5.01) (right).

- Illegal squatting and other usage of the outbuilding. On the of the site visit, there were piles of beer bottles, half-finished bags of chips, and other paraphernalia strewn about the front of the outbuilding, indicating recent use as a hangout or party destination. Conversations with the property owner and neighbors confirmed this to be a repeat location for such activities. Homeless individuals are also frequently caught squatting in the building, and the Freehold Borough police department must regularly be called in to remove these individuals.

Phillip Natalli, who owns the building on Block 36, Lot 6 (6.01) and the accounting firm that occupies its ground floor, indicated in an interview that he has been hesitant to further invest in his building given the condition of the surrounding properties, citing the illicit behavior that he has witnessed there as his primary concern. He said that such activities, as well as the occasional police stake-outs, cause him to worry about the safety of both his staff and customers. He also added that he would be more likely to invest more in his property if the surrounding area were redeveloped.

6.3.c. Block 36, Lot 7 - Lack of Parking

There currently is no parking area on Block 36, Lot 7, which is required by **Section 3.03.04(i) "Parking"** of the 2008 "Visioning & Revitalization Plan for the Freehold Center Core Redevelopment Plan Area." This plan serves as the existing zoning and thus regulates parking for all of the lots in the study area. There is also not enough space to create a parking area within the bounds of Block 36, Lot 7, which means that current tenants and visitors to the property must either park on the street, or in the unregulated and unpaved lot that spans Block 36, Lots 5 (5.01) and 6 (6.01). This lack of parking means that, in its current configuration, Block 36, Lot 7 is a non-conforming use under the existing zoning.

Figure 12. Block 35, Lot 7 Configuration



Block 35, Lot 7 is too small to provide space needed for parking pursuant to Freehold zoning documents.

6.4 Conclusion

All of the buildings within the Redevelopment Area include units that are severely dilapidated, obsolete, overcrowded, and faultily-arranged, and this causes them to be unpleasant and undesirable places to live as well as difficult places to rent out. This is largely due to the poor maintenance, haphazard renovation, and improper subdivision of the buildings, which has led to major issues with the provision of hot water and electricity within the buildings, as well as the complete lack of ADA accessible facilities. There are also significant issues with obsolete lot layouts, for example on Block 36, Lot 7, which prevents the provision of the parking required on this lot, and on Block 36, Lots 5 (5.01) and 6 (6.01), which has created an unregulated parking area that acts as a haven for illicit activity within the Redevelopment Area. Clearly, these issues not only impact the Redevelopment Area proper, but are a detriment to the safety, health, morals, and welfare of Freehold Borough overall.

7.0 STATUTORY CRITERION “E”

7.1 Statutory Language

A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real properties therein or other similar conditions which impede land assemblage or discourage the undertaking of improvements, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare, which condition is presumed to be having a negative social or economic impact or otherwise being detrimental to the safety, health, morals, or welfare of the surrounding area or the community in general.

7.2 Applicability

The following analysis of Statutory Criterion “E” is applicable to: **Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01).**

7.3 Findings - Growing Lack of Proper Utilization

Each building has vacant residential space on their ground floors (Lots 6 (6.01) and 9 (9.01) also have vacant commercial space on the ground floor). According to the property owner, these units are “unrentable” for several reasons:

- They all have residential floorplans, meaning that without significant (and likely cost-prohibitive) renovations they cannot be rented out as commercial space
- The units are all in major states of disrepair, and bringing them back into compliance with local codes and making them attractive to potential tenants would be so costly as to make renovating them less cost-efficient than tearing them down and rebuilding
- It is unclear whether **Section 3.03.04 “Use Requirements”** of the 2008 Visioning & Revitalization Plan for the Freehold Center Core Redevelopment Plan Area” permits or prohibits residential uses from locating on the ground floor of buildings. The property owner has gotten the impression from the Borough that it would require a use variance or a longer, more expensive approval process.

7.4 Conclusion

These vacant units are having a negative social and economic impact on the surrounding area, and are detrimental to the safety, health, morals, and welfare of the community overall. According to the property owner and several neighbors that were interviewed as part of this investigation on October 16th, 2019, numerous people have broken into the first floors, garages, outbuildings, and outdoor spaces associated with the buildings within the study area to sleep, squat, and engage in illicit activities.

Moreover, the fact that the property owner is having difficulty renting out these units, even at a greatly reduced price, means that they are creating an economically-unproductive condition in Freehold's Center Core, which is intended to be the Borough's booming commercial district. Just a few blocks over, Main Street is lined with thriving businesses, including retail, bars and restaurants, and other service-oriented establishments. Even within and directly adjacent to the Redevelopment Area, on Block 36, Lots 3 and 8, are two well-established and thriving businesses, whose owners have expressed a sense of commitment to the area and desire to invest more if the immediate area begins to turn around. The Redevelopment Area is truly a case of being the stagnant, unproductive hole in an economically-productive donut.

Figure 13. Block 35, Lots 6 (6.01) & 9 (9.01) - Vacant Residential Space



Bathroom at 6 Broad (left); vacant room at 2 Broad (center); dilapidated rear entry to vacant unit at 2 Broad (right).

8.0 STATUTORY CRITERION “H”

8.1 Statutory Language

The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.

8.2 Applicability

The following analysis of Statutory Criterion “H” is applicable to: **Block 36, Lots 5 (5.01), 6 (6.01), 7, and 9 (9.01).**

8.3 Findings – Smart Growth Planning Principles

8.3.a. Applicability of New Jersey Smart Growth Planning Principles to Study Area Parcels

The 2001 “New Jersey State Development and Redevelopment Plan” (SDRP) maps out several “Planning Areas” and “Designated Centers” that are intended to guide future growth and development in New Jersey in a responsible manner, as well as to help carry out the SDRP’s policies and goals, including Smart Growth.

Freehold Borough’s mature settlement pattern, distinct neighborhoods and downtown, existing infrastructure, limited vacant land, and potential for redevelopment and infill places it squarely within Planning Area 1 (Metropolitan), which is intended to: absorb much of the State’s redevelopment; revitalize cities and towns; promote growth in compact forms; stabilize older suburbs; redesign areas of sprawl; and protect the character of existing stable communities.

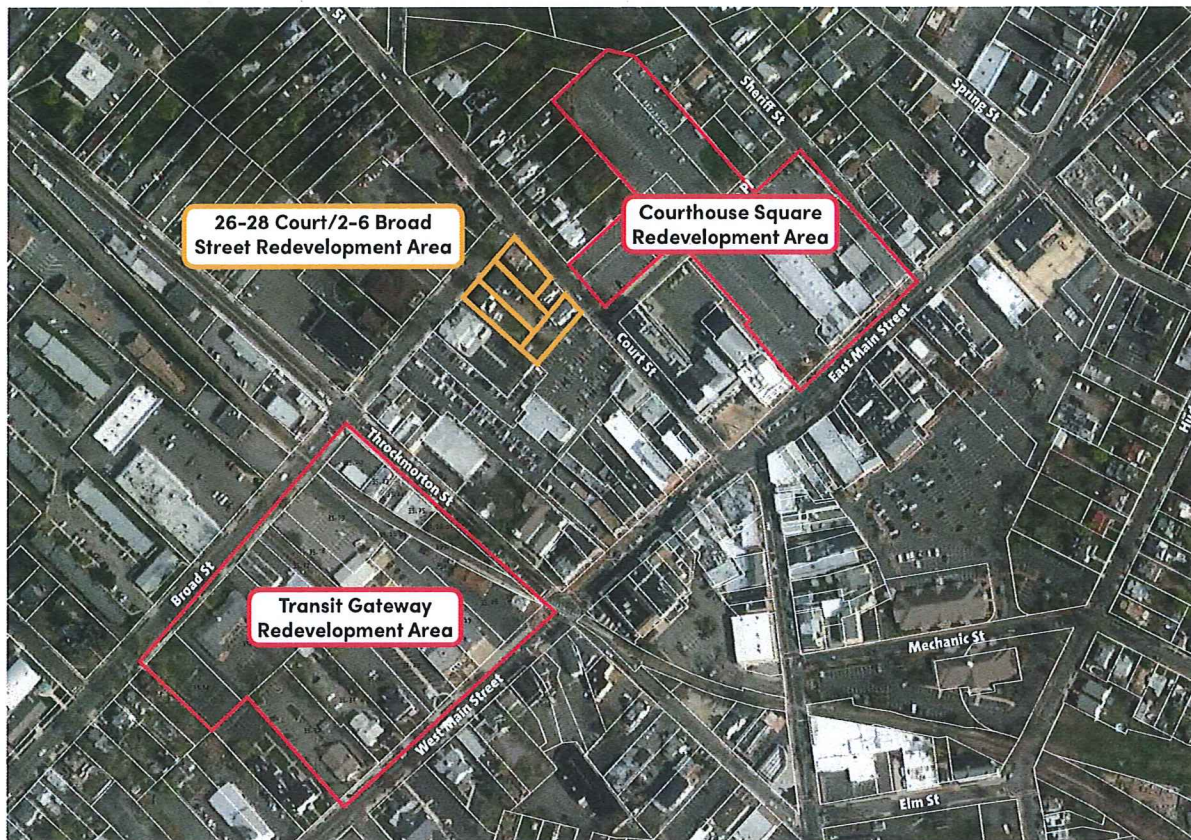
Freehold Borough is also a State-designated Town Center. Freehold Borough exemplifies the State Plan definition of what a Town Center should look like, as a “traditional center of commerce or government... with diverse residential neighborhoods served by a mixed-use core offering locally-oriented goods and services.” Town Centers are outlined in the SDRP as compact forms of development that:

- “Are strategically located...and served by concentrations of plentiful and efficient transportation”
- “Consume less land and deplete fewer natural resources”
- “Promote walking and cycling for transportation and recreation”¹

Given their location within 1/4 mile of a major public transportation node (Freehold Borough’s bus station), their proximity to downtown Freehold, and their designation as an area in which the Borough of Freehold would like to concentrate growth for a Transit Village, the Redevelopment Area parcels are a paragon of the SDRP’s vision for Smart Growth in New Jersey. Additionally, both the 1988 “Borough of Freehold Master Plan” and 2018 “Downtown Freehold Vision Plan” chart a path for the Borough that is consistent with Smart Growth Planning principles as defined in the SDRP.

¹ State of New Jersey. *The New Jersey State Development and Redevelopment Plan*, 2001. Page 16, 21.

Figure 14. Redevelopment Area Relation to Other Planning/Redevelopment Efforts



8.3.b. Redevelopment Area Consistency with "H" Criterion Requirements

All of the Study Area parcels fall within the existing Freehold Center Core designated by the 2008 "Visioning & Revitalization Plan for the Freehold Center Core Redevelopment Plan Area" and the expanded Freehold Center Core Boundary proposed by the 2018 "Downtown Freehold Vision Plan," which seeks to rejuvenate downtown Freehold by re-orienting the Center Core around the borough's already highly-trafficked bus station. The vision for the area is illustrated in **Figure 15 on page 24** and **Figure 16 on page 25**.

Additionally, the 2018 "Downtown Freehold Vision Plan," which was adopted in July, 2018, aims at providing more housing, space for local businesses, and high quality public spaces. Taken together, this document charts a path for Freehold Borough that adheres strongly to the principles of Smart Growth.

In particular, Block 36, Lots 7, and 9 (9.01) border the "Courthouse Square Redevelopment Area," which aims to further Smart Growth principles by further densifying downtown Freehold and locating mixed-use development in close proximity to Freehold's bus station, encouraging both increased bus ridership and walkability in the Center Core.

Additionally, several of the objectives of the 1988 "Borough Master Plan" adhere to NJ Smart Growth Planning Principles, including:

Figure 15. Courthouse Square Redevelopment Plan

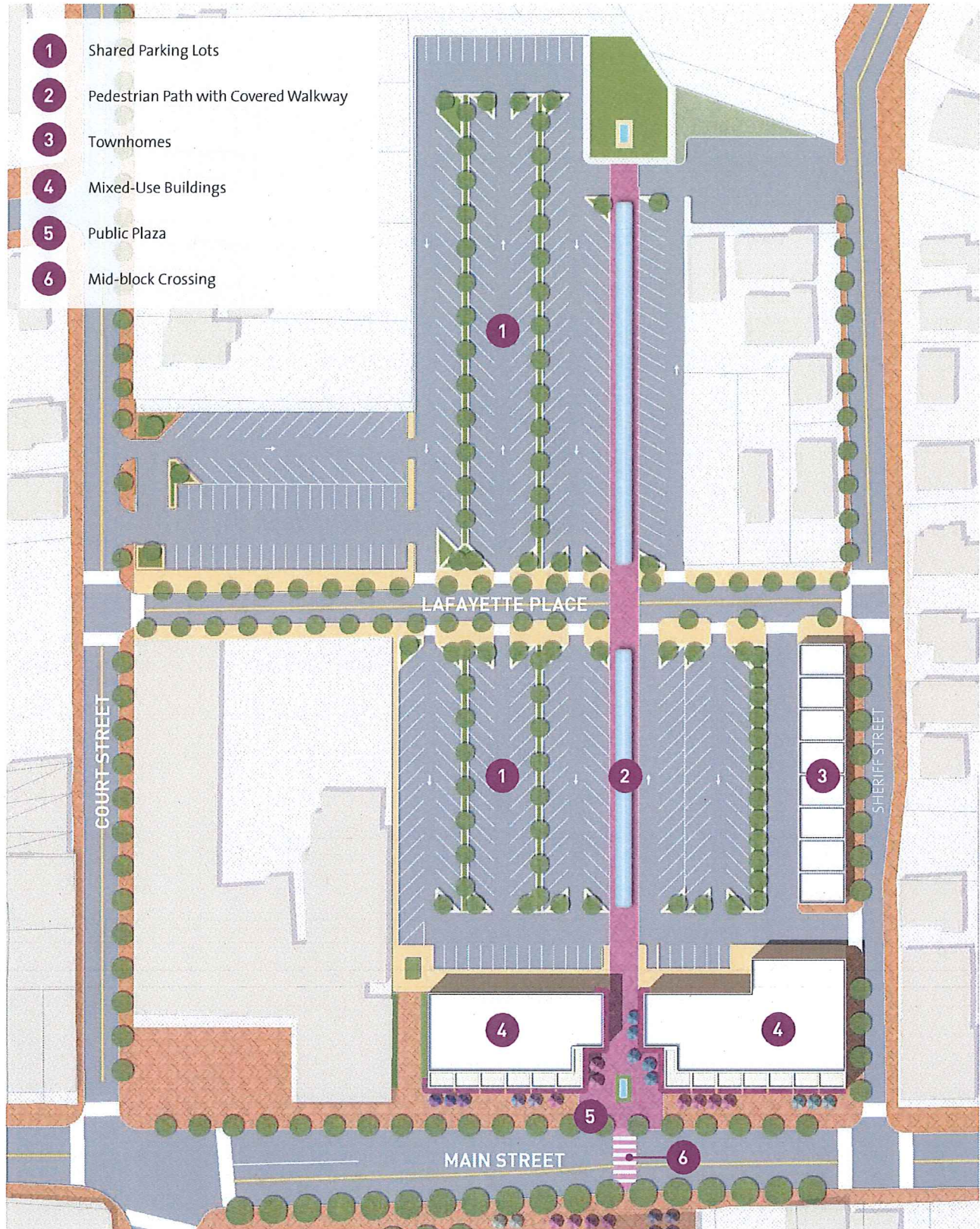
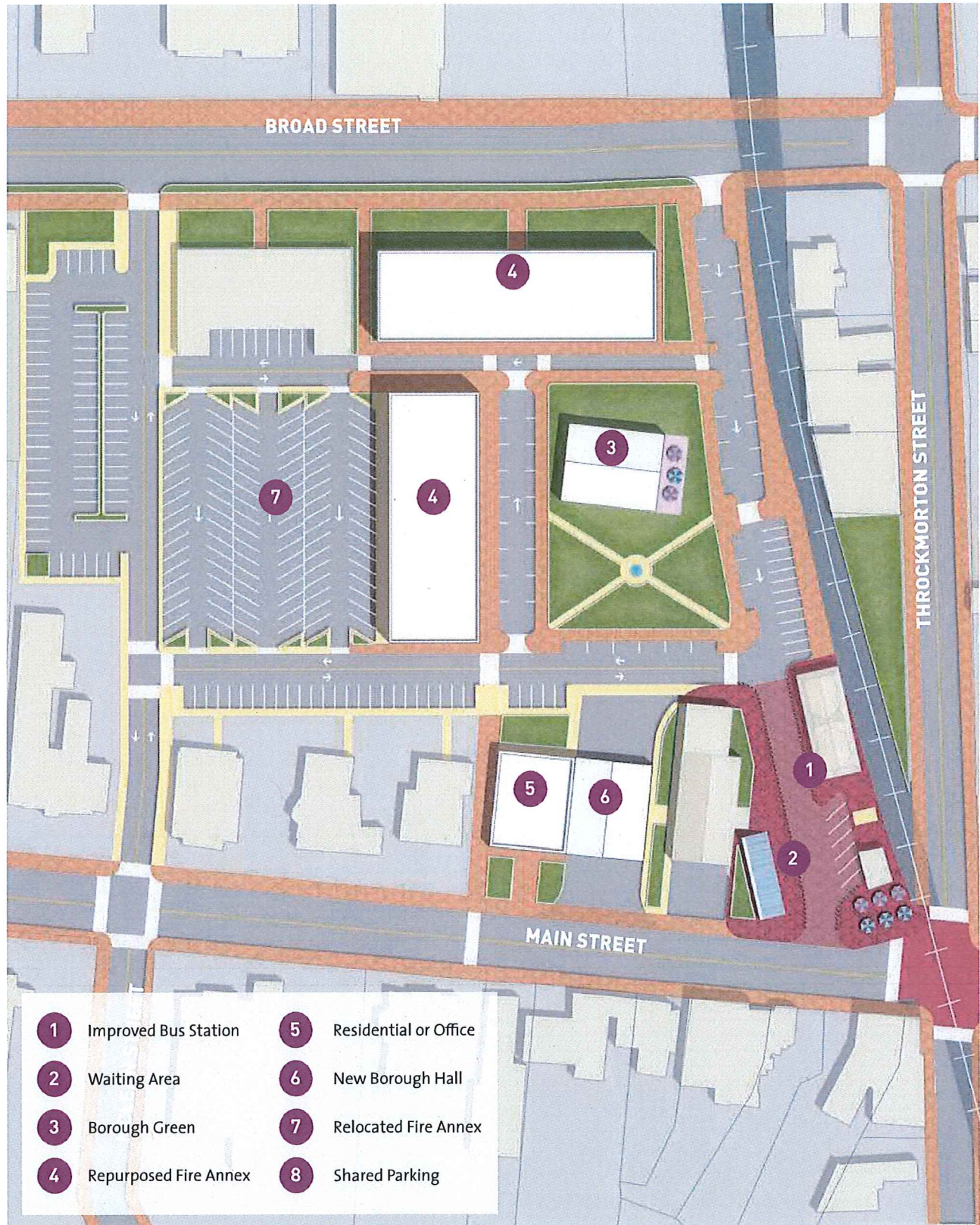


Figure 16. Transit Gateway Redevelopment Plan



- “Provide for the safe and efficient flow of traffic within the Central Business District...”
- “Provide for additional parking and establish a parking authority to more effectively administer current surface parking.”
- “Continue a compatible arrangement of land uses by maintaining the basic commercial and industrial areas.”

8.3.c. Detriments

In addition to the features of the Redevelopment Area described above that make it consistent with Smart Growth Planning Principles as defined by the State of New Jersey, there are several issues caused by its current configuration that lend further credence to its definition as an area in need of redevelopment pursuant to the “H” criterion. These issues include:

- The environmental impact caused by large amounts of impervious surface and auto-oriented uses within the Redevelopment Area
- The disorganized pedestrian and vehicular conditions created by the unregulated parking area spanning Block 36, Lots 5 (5.01) and 6 (6.01)
- The lack of pedestrian connections to the rest of Freehold’s Center Core

These conditions, which are generally caused by the Redevelopment Area’s lack of transit-orientation not only prevent Freehold from taking full advantage of many of the parcels within the site, but are currently a detriment to the general health, safety, and welfare of Freehold Borough overall.

8.4 Conclusion

All Blocks and Lots within the Redevelopment Area meet the statutory requirements outlined in Criterion “H.” The entirety of Freehold Borough falls within the “Metropolitan Planning Area (PA - 1)” as defined by the NJ SDRP, which also designates Freehold as a “Town Center” tasked with ensuring the SDRP’s Smart Growth planning principles come to fruition. Additionally, the Redevelopment Area borders the Courthouse Square Redevelopment Area, which seeks to encourage the increased use of public transportation, walkability, and transit-oriented development in Freehold Borough—all of which are also aims of the borough’s 1988 Master Plan. As such, all of the Blocks and Lots within the Study Area are consistent with Smart Growth Planning Principles adopted pursuant to law or regulation.

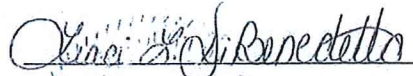
**APPENDIX A -
RESOLUTION #31-20**

OFFERED BY: **Rogers**

SECONDED BY: **Jordan**

	AYE	NAY	ABSENT	ABSTAIN		AYE	NAY	ABSENT	ABSTAIN
DI BENEDETTO	X				REICH	X			
JORDAN	X				SCHNURR	X			
ROGERS	X				SHUTZER	X			

I, TRACI L. DIBENEDETTO, CLERK OF THE BOROUGH OF FREEHOLD, DO HEREBY CERTIFY THAT THE FOLLOWING RESOLUTION WAS ADOPTED BY THE MAYOR AND COUNCIL OF THE BOROUGH OF FREEHOLD AT THE REGULAR MEETING HELD: JANUARY 21, 2020.



TRACI L. DIBENEDETTO, BOROUGH CLERK

Resolution No. 31-20

Agenda NO: 2/2020

**RESOLUTION OF THE MAYOR AND COUNCIL
OF THE BOROUGH OF FREEHOLD
AUTHORIZING THE PLANNING BOARD TO UNDERTAKE A PRELIMINARY
INVESTIGATION FOR REDEVELOPMENT**

WHEREAS, KFM Partnership, LLC ("KFM") a local redevelopment group, presented to the governing body a conceptual plan for the redevelopment of a certain area of Broad and Court Street: and

WHEREAS, KFM requested that the subject area be investigated as an area in need of redevelopment as defined under the Municipal Land Use Law and agreed to fund the cost of any such investigation; and

WHEREAS, THE Mayor and Council believe it is in the best interest of the Borough to proceed initially with investigation into the properties known as 26 Court Street and 2,4 and 6 Broad Street as an area in need of redevelopment; and

WHEREAS, N.J.S.A. 40A:12A-6 authorizes the governing body of a municipality to authorize its Planning Board to conduct a preliminary investigation to determine whether any area of the municipality is an area in need of redevelopment; and

WHEREAS, the Mayor and Council consider it to be in the best interest of the Borough to have the Freehold Borough Planning Board conduct such investigation regarding property known of the Borough Tax Map as 26 Court Street-Block 36, lot

9.01; 2 Broad Street-Block 36, lot 7; 4 Broad Street-Block 36, lots 6 & 6.01 and 6 Broad Street-Block 36, lots 5 & 5.01

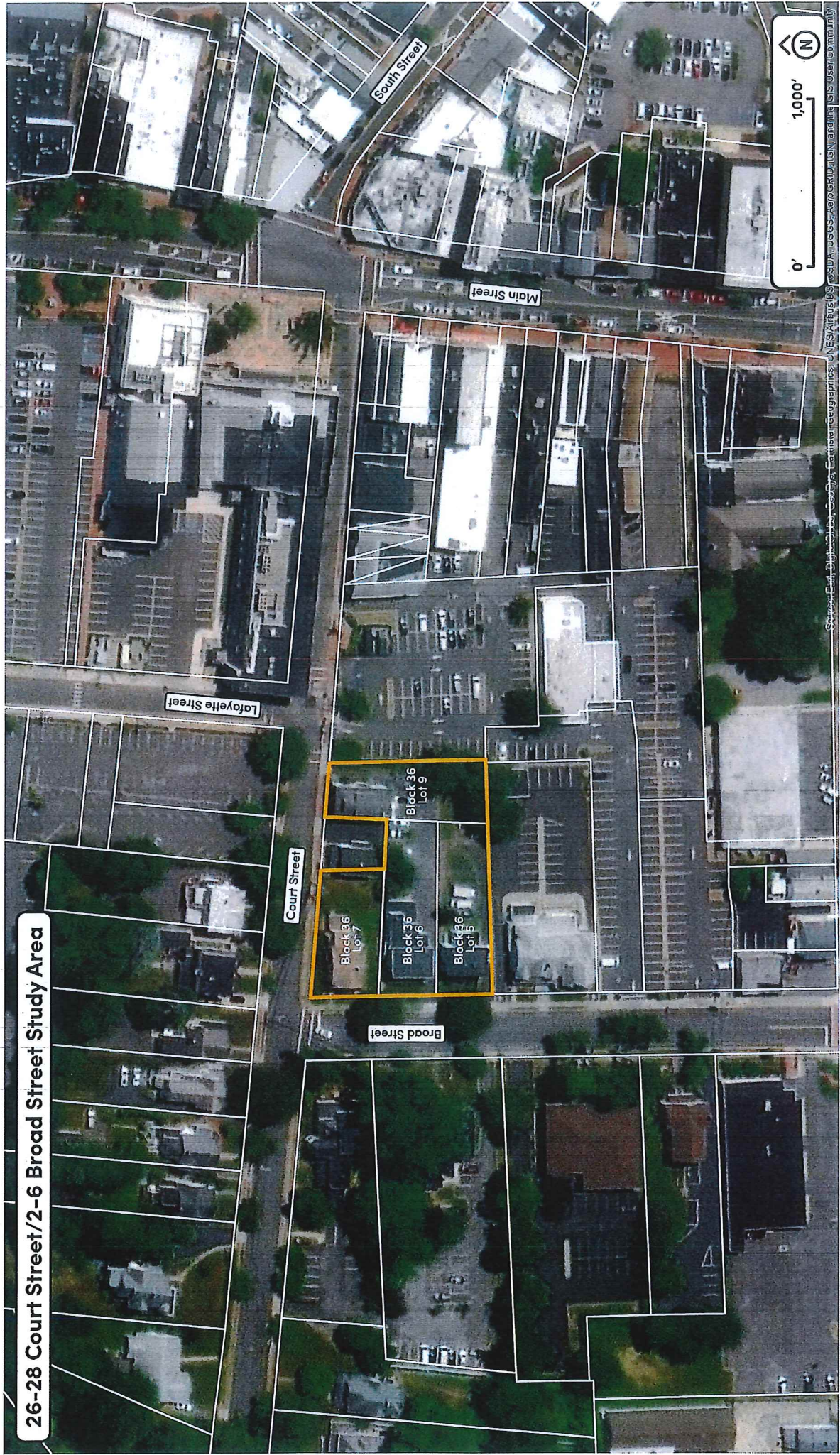
WHEREAS, the governing body authorizes the planning board to determine whether the above properties constitute an area in need of redevelopment and to prepare a redevelopment plan for the designated area.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Freehold that it hereby directs and authorizes the Freehold Borough Planning Board to:

1. Conduct a preliminary investigation to determine whether the aforementioned areas in the Borough of Freehold are areas in need of redevelopment, without condemnation, according to the criteria set forth in N.J.S.A. 40A:12A-1 et seq.;
2. The Preliminary investigation be submitted to the Mayor and Council for its review and approval in accordance with the provisions of in N.J.S.A. 40A:12A-1 et seq.;
3. Work with Pennoni Associates, Inc. in the preparation of a redevelopment plan.

BE IT FURTHER RESOLVED that the Clerk forward a certified copy of the resolution to KFM Partnership, LLC, Pennoni Associates, Inc., the Freehold Borough Unified Planning Board Chairman, Secretary and attorney and Monmouth County Planning Board.

26-28 Court Street/2-6 Broad Street Study Area



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community